



TAP PHARMACEUTICALS INC.

October 28, 1992

Bannockburn Lake Office Plaza
2355 Waukegan Road
Deerfield, Illinois 60015

To: OB/U Reps
OB/U District Managers
Regional Managers

Subject: Credit Department Procedures

Credit has implemented some changes within their department which are intended to enhance the services provided to you and your customers. They have reorganized and now have credit reps who are assigned specifically to TAP accounts. They are familiar with our customer base and in tune with your needs as well as the needs of your customers.

The steps for dealing with past due accounts have also changed to the following:

1. 30 DAYS PAST DUE - Letter (see attached) sent to account with copy to sales rep. This is your clue that a problem exists and is your opportunity to contact your customer in an attempt to resolve this situation.
2. 60 DAYS PAST DUE - Credit will be contacting accounts. This will be done in a non-threatening, helpful manner. If problems (i.e. reimbursement) are uncovered by Credit, the sales rep will be contacted to assist in resolution. If you have accounts that you definitely do not want contacted by Credit, please call Keith Harper, Regional Credit Manager, at (708) 937-6863.
3. "DEADBEATS" - They've reneged on payment schedule, uncooperative, etc. Legal letters will be sent out by Credit after rep and/or DM have been notified and concurred on this course of action. If no response to this letter after 10 days, orders will be held and the account turned over to a collection agency.

These steps are designed to include your input and assistance throughout the process. Credit is committed to positively impacting your business. If you have any questions, please do not hesitate to contact Keith Harper or myself.

Sincerely,


Jeff Peterson

cc: Will Hall
Alan Mackenzie
Don Patton

John Rancourt
Keith Harper

TAP 5109674

**DEFENDANT'S
EXHIBIT**

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